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SUBJECT: NATO ROADSHOW '07 -- CROATIA SCENESETTER

REF: A. STATE 147447
[1](#)B. USNATO 545

[1](#)1. (U) SUMMARY AND COMMENT: The GoC feels confident approaching NATO's Bucharest Summit after repeated strong statements of support from President Bush and State Department officials (U/S Burns, A/S Fried) as well as positive feedback from Allies during presentation of their Annual National Program in September (ref B). While PM Ivo Sanader and others will be waiting to hear the Road Show delegation repeat USG support, they will insist they have not allowed their optimism to slow their efforts to present the best possible candidacy in Bucharest. As evidence, interlocutors will likely point to increasing public support for NATO membership, advances on key reforms, the success of Exercise Noble Midas, and increased contributions to ISAF, including Observation Mentoring Liaison Teams (OMLTs) and support to three Provincial Reconstruction Teams (PRTs).

[1](#)2. (U) The Road Show will arrive in the middle of the campaign for Croatia's tightly-contested parliamentary elections on November 25, creating a public relations environment in which every statement could be misinterpreted. Fortunately, neither NATO nor U.S. relations have become campaign topics -- the sole exception being the opposition's proposal for a public referendum on NATO accession. We have been careful to consistently note that while NATO does not require a referendum, the decision on whether to hold one rests with Croatians. END SUMMARY AND COMMENT.

BOOSTING PUBLIC SUPPORT: RECRUITING NEW VOICES

[1](#)3. (U) Since President Bush's Oval Office statement last year supporting an invitation to Croatia in 2008, the GoC has conducted a concerted campaign to educate the public on NATO membership. The result has been a roughly 20 percent rise in public support for accession, from just above 30 percent in December 2006 to approximately 50 percent today according to various polls. NATO public awareness efforts are largely on hold during the election period to avoid the risk of NATO aspirations becoming a campaign issue. We have encouraged the GoC, however, to line up activities now to restart such activities as soon as possible following the November 25 elections and have focused our efforts on attracting new,

non-GoC voices to combat persistent myths and misinformation (i.e., NATO wants bases in Croatia, Croatia will have to send troops to Iraq).

ACTING LIKE AN ALLY: CONTRIBUTING MORE ACROSS THE ALLIANCE

¶4. (U) Croatia has steadily increased its self-financed, caveat-free contribution to ISAF, entering its tenth deployment with 200 soldiers with a commitment to raise troop numbers to 300 in 2008. During meetings in Zagreb, the delegation should acknowledge the breadth of Croatian troop deployments in Afghanistan, currently operating under the command of three different allies.

- Kabul: 59-man contingent including military police platoon, command/staff/support elements, national intelligence cell, and joint A-3 medical team.

- Mazar-e-Sharif OMLTs: 27-man OMLT embedded with the 3rd Kandak of the Afghan National Army (ANA), the first non-NATO member to accept the OMLT mission. During 2006, this team temporarily deployed with the 3rd Kandak to Kandahar to support operations in Regional Command South. Croatia also maintains a two-man OMLT element in the 209 ANA Corps Headquarters.

- Mazar-e-Sharif RC North: 79-man contingent including infantry platoon task force, staff, and military police support to German-led Regional Command North.

- Pol-e-Khomri PRT: five-man staff and military police team supporting Hungarian-led PRT.

- Chagcharan PRT: 28-man contingent embedded in the Lithuanian-led PRT, including two Military Liaison and Observation Teams (MLOT), CIMIC staff officer, and PSYOPS element.

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¶5. (U) In addition to military personnel, three civilian diplomats and police are assigned to the German-led PRT in Feyzabad. In preparing expansion of Croatia's contribution for 2008, military planners are considering several different force packages, to include an additional infantry OMLT, a logistics OMLT, and/or increased infantry contributions to the PRT in Mazar-e-Sharif. The GoC is still examining the possibility of taking on its own PRT but appears intimidated by the reconstruction side of this mission, never before having worked on foreign development.

¶6. (U) The GoC has also supported the ANA with equipment donations, recently shipping 1,000 AK-47 assault rifles and 300,000 rounds of ammunition with Canadian assistance. Slovenian Armed Forces also provided logistical assistance with Croatia's latest troop rotation, providing a three-man load planning team and palletization material and paving the way for greater regional logistical cooperation in the future.

FOCUS ON HOST NATION SUPPORT AND INTEROPERABILITY

¶7. (U) The GoC also deserves acknowledgement for demonstrating its host nation support capabilities during 2007, successfully hosting the "IDASSA" civilian disaster response exercise in May and the "NOBLE MIDAS" NATO Reaction Force exercise in October, which Croatian military leaders saw as their "final exam" before a NATO invitation. Both IDASSA and NOBLE MIDAS were the largest NATO exercises of their kind held in a non-member country. Croatia has also offered to accept Iraqi soldiers in a variety of military training courses in Croatia through the NATO Training Mission in Iraq.

¶8. (U) The Croatian military is clearly serious about drawing from their Afghanistan experience to increase their interoperability and develop lessons-learned for future NATO-led stability operations. The Military Police Company is NATO-certified, while Croatia has declared an engineer platoon (horizontal construction) and special operations

platoon into the Operational Capabilities Concept (OCC) Pool of Forces. An NBC platoon and air-MEDEVAC team are scheduled for self-evaluation. A NATO level 1 evaluation of a helicopter and crew was scheduled during the Noble Midas NATO exercise in October, though we are not aware of the results.

¶9. (U) The GoC appears to be on track to reach 2 percent of GDP target for defense spending in 2010, assuming normal economic growth. Lowering personnel costs is an ongoing and long-term challenge. On hardware acquisitions, the GoC is unlikely to back away from plans to buy 12 fighter jets despite Allied concerns about the sustainability of this investment. The USG has begun a process of educating the MOD on the true costs of this acquisition.

POLITICAL ENGAGEMENT IN ADRIATIC CHARTER AND ACROSS REGION

¶10. (U) The delegation should note the GoC's continued active partnership in the Adriatic Charter and its initiative as current A-3 chair to host a successful A-3/B-3 meeting for foreign and defense ministers in Split in October. The GoC also organized an A-3 foreign ministers meeting on the margins of the UNGA in September. Croatia has played a positive role in engaging the three new Partnership for Peace (PfP) members in the region, including them in the A-3/B-3 gathering and participating in such events as the October Membership Action Plan (MAP) seminar in Sarajevo designed to share accession lessons learned among A-3 and PfP-3 countries. GoC officials still seem hesitant to formally accept the PfP-3 into the A-3 until Croatia receives a membership invitation and Serbia sorts out the post-Kosovo relationship it wants with NATO.

¶11. (U) The GoC maintains vigorous and positive bilateral relations with every country in the region. In May, Croatia concluded its successful chairmanship of the South East European Cooperation Process with the formation of a permanent Regional Cooperation Council (RCC), the successor

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to the Stability Pact initiative. In July, the GoC hosted a Summit for European leaders on the future of Southeast Europe. Government and parliamentary leaders have made regular efforts to contribute to stability both in Bosnia and Herzegovina and in Kosovo, with the GoC supporting the Ahtisaari plan and now Troika negotiations. Croatia is in the process of opening a diplomatic office in Pristina, and maintains broad contacts in Kosovo, including GOC-support for efforts by a Croatian Serb parliamentarian to encourage Kosovo Serbs to engage directly with Kosovar institutions in Pristina. Croatia's recent election to the UN Security Council will likely enhance their ability to play a leadership role in the region.

ELECTION DRIVES REFERENDUM ISSUE, POLITICAL ATMOSPHERE

¶12. (SBU) The delegation will likely find most interlocutors focused on the intense campaign for the November 25 parliamentary elections. Polls show a dead heat between the ruling Croatian Democratic Union (HDZ) and its primary opposition, the Social Democratic Party (SDP). Either party will almost certainly need smaller parties to form a governing coalition, meaning even an HDZ victory will include a government reshuffle. The foreign, defense, justice, and interior ministers are all likely to be replaced or move on to other positions. Given the on-going campaign, the Road Show delegation should be mindful that its public statements will be read carefully to look for signs of USG support for one side or the other in this race. Fortunately, neither Croatia's aspiration to join NATO nor U.S. bilateral relations have become electoral issues, as all major parties support Croatia's membership.

¶13. (SBU) The only distinction between the parties is the

SDP's proposal for a public referendum on NATO membership. The SDP argues that securing such public support would make Croatia a more effective and reliable ally. SDP leaders, including party president Zoran Milanovic (who earlier in his career worked at Croatia's Mission to NATO), dismiss the risk that a referendum could turn on extraneous events and express great confidence that they will win such a referendum. Nonetheless, there is speculation that the SDP will not actually follow through on this proposal if they win in November. While a referendum scenario presents many complications, we have been careful to avoid commenting on the issue, noting that any referendum decision rests with Croatians.

KEY POLITICAL REFORMS: SOME PROGRESS, SOME PATIENCE

¶14. (U) While corruption and organized crime remain key areas for reform, Croatia made progress with the arrest of six employees of the Croatian Privatization Fund earlier this year on corruption charges, formation of police and prosecutor task forces to combat organized crime, and the first-time freezing of assets in a narcotics case. Border security is improving with assistance from our EXBS program and other donor nations; Customs seizures of contraband are up and Croatia's non-proliferation regime is becoming increasingly effective. In combating trafficking in persons, the GoC continues to improve its cooperation with NGOs to identify and assist victims of trafficking and has increased its efforts to investigate and prosecute trafficking crimes, though we are still waiting to see convictions.

¶15. (U) Judicial reform remains another key area of concern, though we have noted some progress. The judicial backlog is steadily shrinking. Serious weaknesses in court administration, including the GoC's witness support system, persist, and have caused problems in cases such as the war crimes prosecution of Generals Ademi and Norac that was transferred from the ICTY. But politically it is notable that such high profile war crimes cases against ethnic Croats are proceeding without significant public protest or resistance.

¶16. (U) On refugee returns, the picture is mixed. The GoC

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has essentially resolved most major issues, including reconstruction of homes destroyed in the war, repair of basic infrastructure, and repossession of properties occupied by other refugees (mostly ethnic Croats who had fled fighting in Bosnia). The GoC is now focused on providing housing to those returning refugees who did not own property but held Occupancy Tenancy Rights (OTR) under the Yugoslav government.

For 2007, the GoC has agreed with the international community on two targets for 2007, to purchase or construct for Serb returnees 1000 apartments within "Areas of Special State Concern" (ASSCs -- those areas most directly affected by the war) and 400 apartments outside of ASSCs. As of November 3, the GoC reported that it had approved 732 apartments within ASSCs and was on track to provide an estimated 185 additional units by the end of the year, for a total of 917 residences. The GoC plans to purchase a further 100 units in January 2008. Outside of ASSCs, the GoC said it had purchased 236 apartments and plans to purchase 160 more by December 31 for a total of 396. UNHCR and OSCE monitors have not yet been able to verify these claims; field checks are currently underway.

¶17. (U) WWII and Communist-era property restitution claims remain a key bilateral issue for the US as well as for Italy and Austria, which both are home to far greater numbers of claimants. While bilateral agreements with the Yugoslav Government in the 1950s and 60s addressed most foreign claims and Croatian citizens' claims were addressed in the 1990s, individuals who were not citizens of a signatory country in Yugoslav days and who never became Croatian citizens were

never eligible to make a claim. The GoC has drafted amendments to current law to put foreign citizens on an equal footing with Croatians, but these amendments have not been enacted. We have raised this at the highest levels and organized numerous advocacy visits for the Department's Office of Holocaust Issues, but it is clear progress will not be possible until after parliamentary elections.

PROTECTING NATO CLASSIFIED - WORK IN PROGRESS

18. (U) The protection of NATO classified information remains another area where the GoC has unfinished homework. According to an October NATO International Staff security assessment visit, GoC legislation on security vetting passed this summer appears to fall short of NATO standards, lacking specific criteria for approving or denying a security clearance. We understand that NATO IS is pursuing a quick resolution to this issue directly with Croatia's Council for National Security.

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